

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:

SPECALLOY CORPORATION,

DEBTOR-IN-POSSESSION.

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)
)
)
)

CHAPTER 11

CASE NO. 16- 10013

PURSUANT TO LBR 9007-1, THIS MOTION WILL BE TAKEN UNDER ADVISEMENT BY THE COURT AND MAY BE GRANTED UNLESS A PARTY IN INTEREST FILES A RESPONSE WITHIN 21 DAYS OF SERVICE. RESPONSES MUST BE FILED AND SERVED UPON THE MOVING PARTY WITHIN 21 DAYS OF SERVICE. RESPONSES MUST BE FILED ELECTRONICALLY WITH THE CLERK OF THE BANKRUPTCY COURT, ONE CHURCH STREET, MONTGOMERY, ALABAMA 36104.

This pleading is being filed and noticed pursuant to M.D. AL L.B.R. 9007-1 procedures for:
[Application to Employ Attorney]

**APPLICATION OF SPECALLOY CORPORATION
DEBTOR-IN-POSSESSION, FOR AN ORDER AUTHORIZING
THE EMPLOYMENT AND RETENTION OF
ESPY, METCALF & ESPY, P.C. AS ATTORNEYS
FOR THE DEBTOR AND DEBTOR-IN-POSSESSION**

COMES NOW the Debtor-In-Possession, SpecAlloy Corporation, and files this application for the entry of an order authorizing the Debtor's employment and retention of Espy, Metcalf & Espy, P.C. as it's attorneys in connection with it's chapter 11 case. In support of this Application, the Debtor submits the Declaration of Cameron A. Metcalf, Esquire, a partner at Espy, Metcalf which is attached hereto as Exhibit A. In further support of this Application, the Debtor respectfully states as follows:

Jurisdiction

1. This Court has jurisdiction over this Motion under 28 U.S.C. §§157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §157(b).

2. Venue of this chapter 11 case in this District is proper under 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are sections 327(a) and 330 of title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure.

Background

4. On the January 5, 2016 (the “Petition Date”), the Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”). The Debtor is operating its business and managing its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner or committee has been appointed in these cases.

Relief Requested

5. By this Application, the Debtor seeks the entry of an order pursuant to sections 327(a) and 330 of the Bankruptcy Code and Rule 2014(a) and 2016 of the Bankruptcy Rules authorizing the employment and retention of Espy Metcalf as it’s attorneys in accordance with the terms and conditions set forth in that certain engagement letter between the Debtor and Espy Metcalf dated December 14, 2015 (the “Engagement Letter”).

Espy Metcalf's Qualifications

6. The Debtor seeks to retain Espy Metcalf because of, among other things, the firm's expertise, experience and knowledge practicing before the Court, it's proximity to the Court and it's ability to respond quickly to emergency hearings and other matters in the Court.

7. Espy Metcalf has been actively involved in major chapter 11 cases in this district over the last 25 years. Espy Metcalf has represented debtors in a number of chapter 11 bankruptcy cases, including, among others, Quantegy, Inc., Collins Signs, Dorsey Trailers Inc., Southern Family Funeral Care, LLC Lake Martin Partners, LLC, Kent Thornton Meadows Funeral Home, Inc., and Eternal Services, Inc.

8. In preparing for its representation of the Debtor in this chapter 11 case, Espy Metcalf has become familiar with the Debtor's business and many of the potential legal issues that may arise in the context of this chapter 11 case. The Debtor believes that Espy Metcalf is both well qualified and uniquely able to represent it in this chapter 11 case in an efficient and timely manner.

Services To Be Provided

9. Subject to further order of the Court and consistent with the Engagement Letter, the Debtor requests the employment and retention of Espy Metcalf to render the following legal services:

- a. advising the Debtor with respect to it's powers and duties as debtors in possession in the continued management and operation of it's business and properties;
- b. advising and consulting on the conduct of the chapter 11 cases, including all of the legal and administrative requirements of operating in chapter 11;
- c. taking all necessary action to protect and preserve the Debtor's estate, including prosecuting actions on the Debtor's behalf, defending any action

commenced against the Debtor and representing the Debtor's interests in negotiations concerning all litigation in which the Debtor is involved, including objections to claims filed against the Debtor's estate;

- d. preparing appropriate pleadings, including motions, applications, orders, reports and papers necessary or otherwise beneficial to the administration of the Debtor's estate;
- e. performing all other necessary or otherwise beneficial legal services for the Debtor in connection with the prosecution of this chapter 11 case.

Professional Compensation

10. Espy Metcalf intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Debtor's chapter 11 case, subject to Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, guidelines established by the Office of the Bankruptcy Administrator for the Middle District of Alabama and any other applicable procedures and orders of the Court, on an hourly basis.

11. Espy Metcalf's hourly rates are set at a level designed to fairly compensate Espy Metcalf for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions and are consistent with the rates charged elsewhere. In particular, Espy Metcalf's current hourly rates for matters related to these chapter 11 cases range as follows:

<u>Billing Category</u>	<u>Range</u>
Partners	\$325
Associates	\$175
Paraprofessionals	\$125

12. The following professionals are presently expected to have primary responsibility

for providing services to the Debtor: Cameron A. Metcalf (current billing rate \$325.00), Collier H. Espy, Jr. (current billing rate \$325.00) and Chris K. Richardson (current billing rate \$175.00). In addition, from time to time, other Espy Metcalf professionals and paraprofessionals will provide services to the Debtor.

13. It is Espy Metcalf's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is also Espy Metcalf's policy to charge its clients only the amount actually incurred by Espy Metcalf in connection with such items. Examples of such expenses include postage, overnight mail, courier delivery, transportation, overtime expenses, computer assisted legal research, photocopying, outgoing facsimile transmissions, airfare, meals and lodging.

14. Espy Metcalf currently charges \$0.20 per page for standard duplication, \$0.20 per page for electronic scanning and \$1.00 to \$1.50 per page for facsimile transmissions. Espy Metcalf has negotiated a discounted rate for Lexus computed assisted legal research. Computer assisted legal research is used whenever the researched determines that using Lexus is more cost effective than using traditional (non-computer assisted legal research) techniques.

15. To date, Espy Metcalf has received the amounts set forth in the Metcalf Declaration from the Debtor as compensation for professional services performed in the 90 days before the Commencement Date and for the reimbursement of reasonable and necessary expenses incurred in connection therewith.

16. As of the Commencement Date, the Debtor does not owe Espy Metcalf any amounts for legal services rendered before the Commencement Date.

Espy Metcalf's Disinterestedness

17. To the best of the Debtor's knowledge and as disclosed herein and in the Metcalf Declaration: (a) Espy Metcalf is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code and does not hold or represent an interest adverse to the Debtor's estate; and (b) Espy Metcalf has no connection to the Debtor, its creditors or their related parties except as may be disclosed in the Metcalf Declaration.

18. Espy Metcalf will periodically review its files during the pendency of this chapter 11 case to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, Espy Metcalf will use reasonable efforts to identify such further developments and will file promptly a supplemental declaration, as required by Bankruptcy Rule 2014(a).


Notice

19. The Debtor has provided notice of this Application to: (a) the Office of the Bankruptcy Administrator for the Middle District of Alabama; (b) the entities listed on the List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the agent for the Debtor's proposed postpetition secured lenders; (d) the Internal Revenue Service.

WHEREFORE, for the reasons set forth herein and in the First Day Affidavit, the Debtor respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit A, (a) authorizing the Debtor to employ and retain Espy Metcalf as it's attorneys effective as of the Commencement Date, (b) approving the terms of the Engagement Letter and (c) granting such other and further relief as is just and proper.

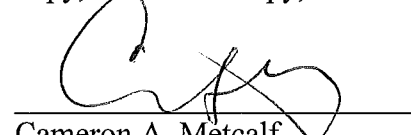
Date: ~~December~~ ^{January} 15, 2016

SpecAlloy Corporation



Joseph Donovan, CEO

Espy, Metcalf & Espy, P.C.



Cameron A. Metcalf
Attorney for Debtor
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Dothan, Alabama 36303
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Email: cam@espymetcalf.com

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:)	
)	
SPECCALLOY CORPORATION,)	CHAPTER 11
)	CASE NO. 16-10013
DEBTOR-IN-POSSESSION.)	

**DECLARATION OF CAMERON A. METCALF, ESQUIRE IN SUPPORT OF THE
APPLICATION OF THE DEBTOR FOR AN ORDER AUTHORIZING EMPLOYMENT
AND RETENTION OF ESPY, METCALF & ESPY, P.C. AS THE ATTORNEYS FOR
THE DEBTOR AND DEBTOR-IN-POSSESSION**

I, Cameron A. Metcalf, Esquire, being duly sworn, state the following under penalty of perjury.

1. I am a partner in the law firm of Espy, Metcalf & Espy, P.C. ("Espy Metcalf"), with an office at 326 North Oates Street, Dothan, Alabama 36303. I am admitted to practice and a member in good standing of the Alabama and Florida State Bars and am admitted to practice in the United States Bankruptcy Court for the Middle District of Alabama. In addition, there are no disciplinary proceedings pending against me.

2. I submit this Declaration in support of the application (the "Application") of the above-captioned debtor and debtor in possession (collectively, the "Debtor") for an order pursuant to sections 327(a) and 330 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") authorizing the Debtor to employ and retain Espy Metcalf as attorneys to the Debtor in connection with it's chapter 11 case. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

Espy Metcalf's Qualifications

3. The Debtor seeks to retain Espy Metcalf because of, among other things, the firm's expertise, experience and knowledge practicing before the Court, its proximity to the Court and its ability to respond quickly to emergency hearings and other matters in the Court.

4. Espy Metcalf has been actively involved in major chapter 11 cases in this district over the last 25 years. Espy Metcalf has represented debtors in a number of chapter 11 bankruptcy cases, including, among others, Quantegy, Inc., Collins Signs, Dorsey Trailers Inc., Southern Family Funeral Care, LLC, Lake Martin Partners, LLC, Kent Thornton Meadows Funeral Home, Inc., and Eternal Services, Inc.

5. In preparing for its representation of the Debtor in this chapter 11 case, Espy Metcalf has become familiar with the Debtor's business and many of the potential legal issues that may arise in the context of this chapter 11 case. The Debtor believes that Espy Metcalf is both well qualified and uniquely able to represent it in this chapter 11 case in an efficient and timely manner.

Services To Be Provided

6. Subject to further order of the Court and consistent with that certain engagement letter between the Debtor and Espy Metcalf dated as of December 14, 2015 (the "Engagement Letter"), the Debtor requests the employment and retention of Espy Metcalf to render the following legal services:

- a. advising the Debtor with respect to its powers and duties as debtors in possession in the continued management and operation of its business and properties;
- b. advising and consulting on the conduct of the chapter 11 cases, including all of the legal and administrative requirements of operating in chapter 11;

- c. taking all necessary action to protect and preserve the Debtor's estate, including prosecuting actions on the Debtor's behalf, defending any action commenced against the Debtor and representing the Debtor's interests in negotiations concerning all litigation in which the Debtor is involved, including objections to claims filed against the Debtor's estate;
- d. preparing appropriate pleadings, including motions, applications, orders, reports and papers necessary or otherwise beneficial to the administration of the Debtor's estate;
- e. performing all other necessary or otherwise beneficial legal services for the Debtor in connection with the prosecution of this chapter 11 case.

Compensation Received by Espy Metcalf from the Debtor

7. On December 11, 2015 and on January 5, 2016, in contemplation of its representation of the Debtor, Espy Metcalf received a retainer for its services totaling \$30,000.00 from President, Joseph Donovan.

8. Over the thirty (30) days prior to filing, Espy Metcalf earned and was paid a total of \$13,283.00 for work performed in connection with a complaint filed by Wells Fargo in the United States District Court for the Middle District of Alabama. Espy Metcalf is holding \$1717.00 for court cost and a retainer of \$15,000.00 in trust on this Chapter 11 case.

9. As of the date of the filing of the Debtor's chapter 11 petition, the Debtor does not owe Espy Metcalf any amounts for legal services rendered before the Commencement Date.

Professional Compensation

10. Espy Metcalf intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Debtor's chapter 11 case, subject to Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, guidelines established by

the Office of the Bankruptcy Administrator for the Middle District of Alabama and any other applicable procedures and orders of the Court, on an hourly basis.

11. Espy Metcalf's hourly rates are set at a level designed to fairly compensate Espy Metcalf for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions and are consistent with the rates charged elsewhere. In particular, Espy Metcalf's current hourly rates for matters related to these chapter 11 cases range as follows:

<u>Billing Category</u>	<u>Range</u>
Partners	\$325
Associates	\$175
Paraprofessionals	\$125

12. The following professionals are presently expected to have primary responsibility for providing services to the Debtor: Cameron A. Metcalf (current billing rate \$325.00), Collier H. Espy, Jr. (current billing rate \$325.00) and Chris K. Richardson (current billing rate \$175.00). In addition, from time to time, other Espy Metcalf professionals and paraprofessionals will provide services to the Debtor.

13. It is Espy Metcalf's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is also Espy Metcalf's policy to charge its clients only the amount actually incurred by Espy Metcalf in connection with such items. Examples of such expenses include postage, overnight mail, courier delivery, transportation, overtime expenses, computer assisted legal research, photocopying, outgoing facsimile transmissions, airfare, meals and lodging.

14. Espy Metcalf currently charges \$0.20 per page for standard duplication, \$0.20 per page for electronic scanning and \$1.00 to \$1.50 per page for facsimile transmissions. Espy Metcalf has negotiated a discounted rate for Lexis computed assisted legal research. Computer assisted legal research is used whenever the researched determines that using Lexis is more cost effective than using traditional (non-computer assisted legal research) techniques.

15. Espy Metcalf further states that pursuant to Bankruptcy Rule 2016(b) it has not shared, nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with the partners, associates and contract attorneys associated with Espy Metcalf or (b) any compensation another person or party has received or may receive.

Espy Metcalf's Disinterestedness

16. Espy Metcalf and certain of its partners and associates may have in the past represented parties in interest in this chapter 11 case in connection with matters unrelated (except as otherwise disclosed herein) to the Debtor and the chapter 11 case.

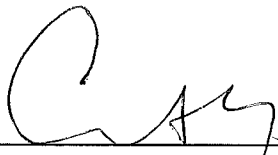
17. Based on the conflicts search conducted to date and described herein, to the best of my knowledge, neither I, Espy Metcalf, nor any partner or associate thereof, insofar as I have been able to ascertain, have any connection with the Debtor, its creditors or any other parties in interest, their respective attorneys and accounts, the Bankruptcy Administrator, or any person employed in the office of the Bankruptcy Administrator, except as disclosed or otherwise described herein.

18. Espy Metcalf will periodically review its files during the pendency of this chapter 11 case to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, Espy Metcalf will use reasonable efforts to

identify such further developments and will file promptly a supplemental declaration, as required by Bankruptcy Rule 2014(a).

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Date: January 5, 2016.



Cameron A. Metcalf, Esquire
Partner, Espy, Metcalf & Espy, P.C.

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